

March 26, 2004

FINANCIAL REPORT FOR THE FIRST FISCAL PERIOD ENDED JANUARY 31, 2004

TOKYU REIT, Inc. is listed on the Tokyo Stock Exchange with the securities code number 8957.

URL: <http://www.tokyu-reit.co.jp>

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Board of Directors meeting for approving financial results: March 26, 2004

Planned start of dividend payments: April 28, 2004

This financial report has been prepared in accordance with Japanese accounting standards and Japanese law.
Figures have been rounded down to eliminate amounts of less than one million yen.

PERFORMANCE

(1) Business Results (June 20, 2003–January 31, 2004)

(Millions of yen)

	Operating Revenues	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change	Net Income	Percentage Change
First Fiscal Period	¥2,896	—%	¥1,486	—%	¥930	—%	¥929	—%

(Yen, %)

	Net Income per Unit (Yen)	Return on Unitholders' Equity (ROE) (%)	(Reference) Annualized	Ordinary Income to Total Assets (%)	(Reference) Annualized	Ordinary Income to Operating Revenues (%)
First Fiscal Period	¥14,856 ¥(9,488)	1.8%	4.7%	0.9%	2.3%	32.1%

Notes:

- Although the fiscal period under review is from June 20, 2003 to January 31, 2004, the actual period of asset management was the 144-day period from September 10, 2003.
- Net income per unit is calculated by dividing net income by the weighted average number of investment units (62,588 units) for the period. The figure for net income per unit in parentheses is calculated by dividing net income by the weighted average number of investment units (98,000 units) for the actual number of asset management days for the period commencing September 10, 2003, after the date of registration completion at the Kanto Finance Bureau of the Ministry of Finance. In addition, the number of investment units outstanding at the end of the fiscal period was 98,000 units. Accordingly, net income per unit as of January 31, 2004 was the same as the figure in parentheses above.
- Changes in accounting policies: No
- Percentages are not shown for operating revenue, operating income, ordinary income and net income because the fiscal period under review is the first fiscal period.
- Return on unitholders' equity was calculated using the average of unitholders' equity as of September 10, 2003, unitholders' equity including debt financing as of September 11, 2003, and unitholders' equity as of January 31, 2004. Ordinary income to total assets was calculated using the average of total assets as of September 10, 2003 and January 31, 2004.
- Annualized percentage figures = Percentage figures for the fiscal period under review / number of days in the actual period of asset management (144 days) x 365 days

(2) Distributions (June 20, 2003–January 31, 2004)

(Millions of yen, yen, %)

	Distribution per Unit (Yen)	Total Distributions (Millions of yen)	Distribution in Excess of Earnings per Unit (Yen)	Total Distributions in Excess of Earnings (Millions of yen)	Payout Ratio (%)	Distribution Ratio to Unitholders' Equity (%)
First Fiscal Period	¥9,488	¥929	¥0	¥—	99.9%	1.8%

Note: The payout ratio is rounded down to the nearest first decimal place.

(3) Financial Position

(Millions of yen, yen, %)

	Total Assets	Unitholders' Equity	Unitholders' Equity to Total Assets (%)	Unitholders' Equity per Share of Common Stock (Yen)
First Fiscal Period	¥118,460	¥51,047	43.1%	¥520,891

Note: The number of investment units outstanding as of January 31, 2004 totaled 98,000 units.

FORECAST OF RESULTS FOR SECOND FISCAL PERIOD ENDING JULY 31, 2004

February 1, 2004–July 31, 2004

(Millions of yen, yen)

	Operating Revenues	Ordinary Income	Net Income	Distribution per Unit (Yen)	Distribution in Excess of Earnings per Unit (Yen)
Second Fiscal Period	¥4,304	¥1,374	¥1,372	¥14,000	¥0

Reference: Estimated net income per unit for the second fiscal period: ¥14,000

Note: Forecasts presented in this document are based on “Assumptions for Forecasts for the Second Fiscal Period (from February 1, 2004 to July 31, 2004)” identified in the separate reference attached. Forecasts for operating revenues, ordinary income, net income, distribution per unit and distribution in excess of earnings per unit may differ significantly from actual results due to changes in operating conditions and a variety of factors. Accordingly, TOKYU REIT does not guarantee any distribution amount. An English translation of “Assumptions for Forecasts for the Second Fiscal Period (from February 1, 2004 to July 31, 2004)” is currently being prepared and will be provided on the Company’s homepage on completion.

This is an English translation of the captioned report. This translation is prepared and provided for the readers’ convenience. All readers are recommended to refer to the original version in Japanese of the report for complete and accurate information.